

is successfully dedicating significant resources to this effort.

The Board, with the concurrence of the Office of Management and Budget, has determined that this is not a significant regulatory action under Executive Order 12866; therefore, no regulatory impact analysis is required. There are no information collections associated with this rule.

List of Subjects in 20 CFR Parts 211

Pensions, Railroad employees, Railroad retirement.

For the reasons set out in the preamble, chapter II of title 20 of the Code of Federal Regulations is proposed to be amended as follows:

PART 211—[AMENDED]

1. The authority citation for part 211 continues to read as follows:

Authority: 45 U.S.C. 231(f).

2. Part 211 is amended by adding a new § 211.16 to read as follows:

§ 211.16 Finality of records of compensation.

(a) *Time limit for corrections to records of compensation.* The Board's record of the compensation reported as paid to an employee for a given period shall be conclusive as to amount, or if no compensation was reported for such period, then as to the employee's having received no compensation for such period, unless the error in the amount of compensation or the failure to make return of the compensation is called to the attention of the Board within four years after the date on which the compensation was required to be reported to the Board as provided for in § 209.6 of this chapter.

(b) *Correction after 4 years.* Subject to paragraph (c) of this section, the Board may correct a report of compensation after the time limit set forth in paragraph (a) of this section for one of the following reasons:

(1) Where the compensation was posted as the result of fraud;

(2) Where the compensation was posted for the wrong person or the wrong period;

(3) Where the earnings were erroneously reported to the Social Security Administration in the good faith belief by the employer or employee that such earnings were not covered under the Railroad Retirement Act and there is a final decision of the Board under part 259 of this chapter that such employer or employee was covered under the Railroad Retirement Act during the period in which the earnings were paid;

(4) Where a determination pertaining to the coverage under the Railroad Retirement Act of an individual, partnership, or company as an employer, is retroactive; and

(5) Where a record of compensation could not otherwise be corrected under this part and where in the judgment of the three-member Board that heads the Railroad Retirement Board failure to make a correction would be inequitable.

(c) *Limitation on crediting service.* No employee may be credited with service months or tier II compensation beyond the four year period referred to in paragraph (a) of this section unless the employee establishes to the satisfaction of the Board that all employment taxes imposed by sections 3201, 3211, and 3221 of title 26 of the Internal Revenue Code have been paid with respect to the compensation and service.

Dated: December 15, 1995.

By Authority of the Board.

Beatrice Ezerski,

Secretary to the Board.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[INTL-0009-95]

RIN 1545-AT42

Certain Transfers of Domestic Stock or Securities by U.S. Persons to Foreign Corporations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations and notice of public hearing.

SUMMARY: In the Rules and Regulations section of this issue of the Federal Register, the IRS is issuing temporary regulations revising the rules under section 367(a) with respect to certain transfers of stock or securities of domestic corporations by United States persons pursuant to the corporate organization, reorganization or liquidation provisions of the Internal Revenue Code. The text of those temporary regulations also serves as the text of these proposed regulations. This document also provides notice of a public hearing on these proposed regulations.

DATES: Written comments must be received by March 25, 1996. Outlines of topics to be discussed at the public

hearing scheduled for April 11, 1996, at 10 a.m. must be received by March 21, 1996.

ADDRESSES: Send submissions to: CC:DOM:CORP:R (INTL 0009-95), Room 5228, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. In the alternative, submissions may be hand delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (INTL-0009-95), Courier's Desk, Internal Revenue Service, 1111 Constitution Ave. NW., Washington, DC. The public hearing will be held in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: Concerning the regulations, Philip L. Tretiak at (202) 622-3860; concerning submissions and the hearing, Christina Vasquez at (202) 622-7180 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The collection of information contained in this notice of proposed rulemaking has been submitted to the Office of Management and Budget for review in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507).

Comments on the collection of information should be sent to the Office of Management and Budget, Attn: Desk Officer for the Department of Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the Internal Revenue Service, Attn: IRS Reports Clearance Officer, T:FP, Washington, DC 20224. Comments on the collection of information should be received by February 26, 1996.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

The collection of information is in § 1.367(a)-3T(c)(4). This information is required by the IRS as a condition for a taxpayer to qualify for an exception to the general rule of taxation under section 367(a)(1). This information will be used to determine whether a taxpayer properly qualifies for a claimed exception. The respondents generally will be U.S. corporations, probably U.S. multinationals, that are acquired by foreign companies pursuant to nonrecognition exchanges or that engage in joint ventures with foreign companies. Responses to this collection of information by the relevant U.S. corporations are required in order for the shareholders of such corporations to

qualify for an exception to the general rule under section 367(a)(1).

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Estimated total annual reporting burden: 1,000 hours. The estimated annual burden per respondent varies from 1 hour to 20 hours, depending on individual circumstances, with an estimated average of 10 hours.

Estimated number of respondents: 100.

Estimated annual frequency of responses: Once.

Background

The temporary regulations published in the Rules and Regulations section of this issue of the Federal Register amend the Income Tax Regulations (26 CFR part 1) relating to section 367(a). The temporary regulations contain rules relating to the transfer of stock or securities by a United States person to a foreign corporation in an exchange described in section 367(a).

The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the temporary regulations. Final regulations under section 367(a) regarding transfers of stock or securities will integrate the proposed regulations herein with the notice of proposed rulemaking published on August 26, 1991, in the Federal Register (56 FR 41993). Thus, the proposed regulations herein supplement and, where inconsistent with, supersede, the 1991 proposed regulations.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that this regulation does not have a significant impact on a substantial number of small entities. Thus, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply to these regulations, and therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on their impact on small business.

Comments and Notice of Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any written comments (a signed original and eight (8) copies) that are submitted timely to the Internal Revenue Service. All comments will be available for public inspection and copying.

A public hearing has been scheduled for April 11, 1996, at 10 a.m. in the IRS Auditorium. Because of access restrictions, visitors will not be admitted beyond the building lobby more than 15 minutes before the hearing starts.

The rules of 26 CFR 601.601(a)(3) apply to the hearing.

Persons that wish to present oral comments at the hearing must submit written comments by March 25, 1996 and submit an outline of the topics to be discussed and the time to be devoted to each topic (signed original and eight (8) copies) by March 21, 1996.

A period of 10 minutes will be allotted to each person for making comments.

An agenda showing the scheduling of the speakers will be prepared after the deadline for receiving outlines has passed. Copies of the agenda will be available free of charge at the hearing.

Drafting Information

The principal author of these proposed regulations is Philip L. Tretiak of the Office of Associate Chief Counsel (International), Internal Revenue Service. However, other personnel from the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income tax, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805. * * *

Par. 2. New § 1.367-9 is added to read as follows:

§ 1.367(a)-9 Transfers by U.S. persons of stock or securities of domestic corporations to foreign corporations.

[The text of this proposed section is the same as the text of paragraphs (a), (c), (d), (e), (f), (g)(1), and (h)(1) of

§ 1.367-3T published elsewhere in this issue of the Federal Register].

Margaret Milner Richardson,
Commissioner of Internal Revenue.

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DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 100

[CGD 87-087]

RIN 2115-AC84

Regattas and Marine Parades

AGENCY: Coast Guard, DOT.

ACTION: Notice of withdrawal.

SUMMARY: The Coast Guard is withdrawing its rulemaking to increase the time requirement for submitting permit applications to the Coast Guard for approval prior to the start of a regatta or marine parade event. Since the Notice of Proposed Rulemaking (NPRM) was published for this rulemaking, the Coast Guard has participated in the National Performance Review and has determined that a broader regulatory examination of the entire Regatta and marine Parade Permit process, including the issue of appropriate permit application submission times, was needed. Therefore, this single issue rulemaking project is being withdrawn and the permit application submission time issue will be included in the broader overall review and revision of the regatta and marine parade permit process regulations.

FOR FURTHER INFORMATION CONTACT: Carlton Perry, Auxiliary, Boating, and Consumer Affairs Division, (202) 267-0979.

SUPPLEMENTARY INFORMATION: On February 4, 1988, the Coast Guard published an NPRM entitled Regattas and Marine Parades in the Federal Register (53 FR 3221). Interested persons were given until April 4, 1988, to submit comments. The Coast Guard received 45 letters commenting on the proposal.

Most of the 45 comments on the NPRM were submitted by event sponsors, which ranged from small sailing clubs and regional and national sailing or boating associations to a municipality and two commercial fireworks display sponsors. Most of the comments acknowledged or supported a need for some increase in the submission time for permit applications for some events, but objected to the proposed submission time of 90 days for